

Office Memorandum • UNITED STATES GOVERNMENT

TO : Deputy Comptroller

DATE: 2 JAN 1956

FROM : Chief, Technical Accounting Staff

SUBJECT: Meeting to Discuss S.2875, a Bill to Revise the Civil Service Retirement Act

1. In accordance with the request of the Comptroller, the writer attended a meeting in the Office of the Legislative Counsel on 20 January 1956 which was called for the purpose of discussing proposed comments of the Agency relative to subject bill. This bill was introduced by Senator Johnston of South Carolina before a new Administration proposed bill on the same subject had been received by this Agency for comment prior to presentation to Congress.

2. The meeting was attended by Messrs. Warner and [] of the Office of the General Counsel, Messrs. [] of the Office of Personnel, the Legislative Counsel, Mr. Paul, and the writer. The Office of Personnel representatives had prepared a comprehensive letter of comment addressed to Senator Johnston (copy attached). This proposed letter compares ~~to~~ S.2875 with a draft bill of the Civil Service Commission which had been previously reviewed and commented upon by this Agency and makes reference to the Agency's proposed amendments to Public Law 110 which have not as yet been transmitted to the Congress. It was the view of the Legislative Counsel, concurred in by the Deputy General Counsel, that the attached proposed letter containing such specific Agency comments should not be transmitted inasmuch as neither the new Administration bill nor the Agency's proposed Public Law 110 revisions have as yet been transmitted to the Congress. It was considered inappropriate for the Agency to make specific comments relative to S.2875 until the Agency has some knowledge as to the Administration's contemplated proposals relative to revisions of the Civil Service Retirement Act. Accordingly it was decided that a brief comment would be formulated stating that the Agency generally favors the objectives of S.2875.

3. The attached proposed letter of comment indicates many significant effects of S.2875; however, in addition, the following specific provisions may be of interest:

- a. Section 9a provides that the annuity of an employee retiring under the Act should be the largest of "(1) 2 per centum of the

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average salary multiplied by the total service or (2) 1 per centum of the average salary, plus \$25, multiplied by the total service." Inasmuch as the Act defines "average salary" in Section 1(e) to mean "the largest annual rate resulting from averaging, over any period of five consecutive years of creditable service, an employee's rates of basic salary in effect during such period," this provision represents a substantial increase in the basic annuity which would be payable under the proposed bill. As you know, the present basis is $1\frac{1}{2}$ per centum of the highest five years average basic salary.

- b. Section 6(e) relating to involuntary separation ^{would} ~~now~~ permits an annuity to be paid to persons involuntarily separated at the age of 50 provided they have 20 years of service. The present law permits such payments only at the age of 55 provided they have 25 years of service. Also, under the new Act, any person who is involuntarily separated having 25 years of service may receive an annuity regardless of age.
- c. Section 6(e) permits payments of annuities to any employees separated from the service who has attained the age of 62 years provided he has completed five years of service. The present law permits annuity payments to such persons only after they have completed 15 years of service.
- 4. There appear to be no provisions in S.2875 which impose new procedural implications insofar as the Office of the Comptroller's operations are concerned.



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ATTACHMENTS